GOVERNMENT OF INDIA
COAL AND MINES
LOK SABHA

UNSTARRED QUESTION NO:4450
ANSWERED ON:22.04.2002
IMPLEMENTATION OF REFORM PROCESS IN MINING SECTOR
SUBODH MOHITE

Will the Minister of COAL AND MINES be pleased to state:

(a) whether the Government have prepared any plan for the implementation of reform process in the mining sector;

(b) if so, the details thereof;

(c) whether the Government propose to provide infrastructure and policy support to State Governments in mining sector;

(d) if so, the details thereof; and

(e) the measures adopted by the Government to attract more FDI in this sector?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COAL AND MINES (SHRI RAVI SANKHAR PRASAD)

(a) to (d): Implementation of reform process in the mining sector is a continuous process. Entry 54 of List -I of the Constitution gives power to the Central Government for regulation of mines and mineral development to the extent to which such regulation and development under the control of union is declared by Parliament by law to be expedient in the public interest. Mines and Minerals(Development and Regulation)Act,1957 has been framed by the Central Government under Entry 54 of List -I of the Constitution. Two basic rules namely Mineral Concession Rules,1960 and Mineral Conservation and Development Rules,1988 have also been framed under the said Act. State Governments grant mineral concessions and collect royalty and dead rent under the said Act and the Rules. National Mineral Policy(NMP) was announced in 1993 and the mining sector was thrown open for private investment . To give effect to the NMP extensive changes were made in the Act and the Rules in 1994 and thereafter also changes in the said Act and Rules are made wherever necessary in consultation with State Governments, mining industry, experts etc. Interaction meetings with State Governments, Central Ministries / Departments and the Investors in the mining sector are held from time to time to make the policy and procedure of grant of mineral concessions hassle free and investor friendly and to sensitise the various stake holders about the reform process. Conference of State Ministers of Mining and Geology and Tripartite meeting of Central Government , State Governments and Investors have recently been held on 14th July,2001 and 12th November, 2001 respectively. Meeting of the Mineral Advisory Council(MAC) and Conference of State Ministers of Mining and Geology have been convened on 30.4.2002 and 1.5.2002 respectively to take forward the reforms initiative..

(e) All proposals for foreign equity participation upto 100 percent in the mining sector are now eligible for automatic approval, except for precious stones and diamonds, for which automatic approval for foreign equity participation upto 74% is permissible and also except for fuel and atomic minerals, for which a separate foreign direct investment policy applies. In case of precious stones and diamonds, foreign equity upto 100 percent can be allowed by Foreign Investment promotion Board(FIPB) on case to case basis.